

ACTION

AGENDA ITEM: Additional 2000/2001 Funding Request

ISSUE TO COME BEFORE THE BOARD AT THIS MEETING: Consideration of affirmation of request for additional 2000/2001 funding.

RECOMMENDED MOTION FOR CONSIDERATION BY THE BOARD:

I move that the Library of California Board affirm the request, submitted to the Governor by the State Librarian on March 29, 2000, for additional Library of California local assistance funds for implementation of Regional and Statewide service program for the fiscal year 2000/2001, as this request is described in this agenda item.

SUMMARY OF REQUEST FOR ADDITIONAL 2000/2001 FUNDING

The State Librarian, on behalf of the Library of California Board (LCB), has requested an increase of \$9,519,000 in Library of California (LoC) local assistance funds (budget item # 6120-0001-102) through the May revision of the Governor's 2000/2001 budget to support the provision of critical information services for Californians through the LoC program, as follows:

Regional Library Network Services (Article 5)	\$7,019,294
Statewide Services (Article 6)	<u>2,500,000</u>
Total	\$9,519,294

No additional state operations funding was requested to implement these programs in fiscal year 2000/2001.

Arguments for this increase included, in summary, the following: It is essential that this funding be added to the LoC for two reasons:

1. Without this addition Regional Library Networks (RLN's), the basic service providers of the LoC, will have no funding to provide those services as the RLN's come into being, despite the expectations of taxpayers that such services will be forthcoming, based on their responses to regional needs assessments conducted in FY 2000.
2. The state's \$10,000,000 investment in LoC infrastructure over the first 18 months of the program's development will stagnate as the infrastructure (i.e. telecommunications, regional library network planning, and basic program service models) will be in place but funding for the operational services that the infrastructure was developed to support will be largely non-existent.

Further, the LoC Act **requires** the LCB to provide formula funding to the RLN's during their first three years of operation (Section 18862 (a.)). Without additional funding or a change in legislation, the LCB will still need to keep faith with this provision and put a priority on providing "...a basic funding allocation for delivery of services..." by the RLN's. Total available local assistance funding is currently \$3,988,000 per year. If all of this went to the RLN's, it would average only about \$500,000 per regional library network or less than 12¢ per capita, and that would leave no funding at all available to continue even minimal operational support for the infrastructure elements which were developed over the first 18 months and which are essential to allow the services to be delivered. The lack of this small increment in funding of the LoC puts this program on hold before it has been able to offer significant services to the Californians whom the Governor and Legislature initiated this legislation to support.

DETAIL OF REQUEST

NOTE: What follows is a presentation for the LCB on the kind of information that was provided in support of this request for additional 2000/2001 funding for LoC progress. While it does not reflect the actual request submitted to the Department of Finance, it does indicate the kind of information that was provided.

Article 5 of the LoC Act, **Regional Library Network Services**, provides for all of the 17 services listed in Exhibit A. In July/August 1999, it was expected that all of the Regional Library Networks (RLN's), which are charged under the LoC Act with provision of these regional library network services to Californians, would be established by July 1, 2000 and actively providing services for the full 2000/2001 fiscal year. As these networks implemented formal needs assessments and organizational activities in the fall and winter of 1999, it became apparent that they would not be ready to provide services by July, 2000. All regions are now on a timetable that would allow LCB approval of their planning documents at the Board's November 2000 meeting, with initial startup of RLN activities by Jan. 1, 2001 and full implementation of initial services not later than the end of the first quarter of 2001. The RLN services funding request was based on this revised timeline.

The request proposed funding for one half year of administrative services costs and one third year of program services costs.

Based on reports from planning regions regarding the results of their formal needs assessments to define most desired initial services by their users, the LCB expects most RLN's to begin services in the following Article 5 program areas: Telecommunications, Regional Delivery, and Online Access to Information Files and Resources (in Section 18842); Information and Referral (18846 (a)); and Cooperative, Coordinated Resource Development Programs (18848). However, based on individual local resource sharing needs, different regions are expected to emphasize Electronic Online Resources (18843), Loan and Electronic Delivery programs (18844), Training and Continuing Education

Programs (18845), and Underserved Programs (18849). It is not expected that significant efforts will occur in the Public Awareness program element until the RLN services are more fully developed.

Based on grant funding requests from planning regions which the LCB was unable to fund in FY 2000 because of insufficient funds and on reports received from regions by the end of February 2000, Exhibit A provides the California State Library's (CSL's) best estimate of how the \$7,019,294 would most likely be used in 2000/2001. However, since the LoC Act dictates that, in the first three years of their operation, the LCB provide the RLN's funds based on a flat allocation rather than by service program, the RLN's will have the right and ability to use the funds provided to them in the service areas most needed in that region, not necessarily in accordance with the CSL staff estimates.

The \$7,019,294 funding request for first year costs for RLN services was based on a draft formula presented to the Department of Finance staff in August 1999 (Exhibit B). For the current request, the basic, flat cost for RLN support of \$125,000/RLN/year was divided by two to account for the fact that the RLN's are now expected to be in full operation only one half of the year. The population driven and geographic distance driven factors remain the same in the calculations for the current request as they were in the information proposed to the Department of Finance in August 1999. Their total dollar figure was reduced to one third of the total August 1999 proposal, on the assumption that full service operation will be phased in over the first three months of 2001 and will not become fully operational statewide until partway through the first quarter of the calendar year.

Statewide Services will cover the full year in fiscal 2001, as the organizational structure to support those is already in place. The existing \$3,988,000 in the LoC baseline local assistance will support continuation of the service programs defined for this funding in the appropriations section of the LoC Act: Telecommunications Infrastructure, Statewide Information Data Base Licenses, and Reimbursement for Interlibrary and Direct Loans. Note that Regional Library Network Development is now included in Regional Library Network Operations and funding for it is a part of RLN Services, above. In addition, the Statewide Coordination is fully covered by the existing \$1,012,000 in the state operations budget for this program element.

The proposed local assistance addition to Statewide Services (Article 6) is \$2,500,000 to support the initiation of the Statewide Resources program (Section 18859), Interlibrary Reference Backup (18853 (a)), Bibliographic Records (18851), and Statewide Delivery (18850 (c)). Exhibit A lists all of the 19 Statewide Service programs defined by the LoC Act and provides the CSL's best estimate, at this time, of how much of the baseline and additional requested funds will be needed in each of the service areas defined above. It is, however, the authority of the LoC Act's decision-making Board, not the CSL, to decide how much funds the Board wishes to commit to each service area, after they have received specific recommendations from CSL staff and heard from program users and stakeholders regarding staff's program recommendations.

The CSL recommended against allocating LoC funding in the budget according to the program estimates listed above and in Exhibit A. Rather, CSL staff recommended that in these initial, formative years of the LoC that the funding be budgeted as a whole to LoC local assistance and that the budget allow the LCB the flexibility to allocate funds where most appropriate to meet user needs and take advantage of opportunities that can make best use of these funds. These include the opportunities to cooperate with and coordinate LoC activities with those of other library groups in the state, such as the University of California, the California State University System (particularly in the area of negotiation of favorable online data base license fees in which they are quite expert), special library groups in the state with highly specialized areas of expertise, and the technology efforts of California schools. The LCB has been very successful in working with and building upon such efforts in the first 18 months of LoC program development. This flexibility will allow the Board to make the best use of the funding provided as the various service programs are considered for startup.

NOTE: the following reflects the information that was provided with the 2000/2001 funding increase request to describe the results of the Board's expenditure of the initial \$8,218,000 allocated to it by the 1998/1999 and 1999/2000 state budgets. The request had to anticipate LCB decisions at the April Board meeting. The staff recommendations for April 2000 budget allocations/expenditures reflect previous staff deliberations with the LCB and the LCB short term priorities established at the February Board meeting. However, if LCB decisions in April are significantly different from those anticipated by the assumptions implied by the following, the LoC augmentation request will need to be modified accordingly.

USES MADE OF THE INITIAL \$8,218,000 IN LOC PROGRAM FUNDING

A total of \$4,230,000 was available in the FY 1999 budget for use starting Jan. 1, 1999. The FY 2000 budget included \$3,988,000 plus the available balance from FY 1999. Thus, the LCB was provided a total of \$8,218,000 to develop the LoC over the first 18 months of program development.

Use By Program Category in SB 409 Appropriations Section

a. Telecommunications Infrastructure	\$3,514,000
b. Statewide Data Base Licenses	2,709,000
c. Reimbursement for ILL and Direct Loans	579,000
d. Regional Library Network Development	1,416,000

NOTE: all figures are subject to some change as the exact transaction levels of the different programs are finalized in the last quarter of this fiscal year.

Services Provided by Initial LoC Funding

a. Telecommunications Infrastructure

1. Implementation of Z39.50 search protocol software in 46 automated library systems statewide, that made data on the availability of information resources in those systems, representing upwards of 100 different libraries, available to all Californians, online, instantaneously.
2. Installation of regionally-based searching software systems (servers) in each of the 7 RLN areas to allow for telecommunications access to information resources within the region by those outside the region and vice versa, on a region to region connection basis. (NOTE: staff are now working to augment these connections to extend to the local library level via planned connections from the libraries to and from the regionally-based servers. Also, currently working with CSUS to utilize 4C-NET, the CSUS telecommunications network statewide, to connect among regions as well as from regions to other libraries already being supported by 4C-NET, particularly CSU campuses and community colleges but also including many local jurisdictions and schools.)
3. Establishment of a telecommunications node in the LA basin into which libraries can connect on a 24 hour, seven-day per week basis to share information on patron requests for information where the answers to those requests cannot be found in the local library. (NOTE: with an increase in state funding for this service, it is planned to expand this to access by the public at large statewide, not just through libraries, over the next two to three years.)
4. Establishment of a telecommunications infrastructure in the vast Inland Empire area to allow communication via videoconferencing and connection with existing videoconferencing facilities that are already in a few public libraries and in many community college sites throughout the region.

b. Statewide Data Base Licenses

This effort is making a variety of online data bases widely available to Californians, primarily through their libraries (i.e. public, academic, school, and special) and primarily in a trial mode in most cases. The following data bases are currently being made available through LoC funding or will be available shortly:

1. The Rand California Data Base of statistical, economic, and business data on California.
2. Gale Corporation's Health Information Data Base.
3. NoveList Data Base of literary resources.
4. The Electric Library of basic information resources, particularly appropriate to school, public, and community college libraries.
5. The OCLC First Search Data Base system of basic reference resources for libraries of all types.

6. Access to the online versions of the LA Times and Orange County Register for all persons in the LA basin and Orange County.
7. The Gale Corporation's Data Base of Biographical information for libraries of all types.
8. Online access to full text of a very broad array (100's of titles) of magazines, scholarly journals, and other periodicals.
9. Online, web-based access to the periodical holdings information of titles held by UC, CSUS, public, special, community college, and medical libraries statewide.
10. Use of the Librarians Index to the Internet (LII), an index which can be used like YAHOO, but which is easier to use and which points searchers only to sites that have been authenticated and verified by librarian indexers.

c. Reimbursement for ILL and Direct Loans

The state's role in encouraging and supporting interlibrary loans between libraries to meet information needs of Californians was dramatically increased through initial implementation of LoC. This increase is resulting in hundreds of thousands more Californians obtaining the information resources they need even though their "home" (or primary) library does not have the item in its collection. In this service the loaning library pays the average \$50 to \$200 cost to acquire, catalog, and maintain each library material made available for loan; the state reimburses the loaning library about \$3.00 per item to offset the handling costs to loan the item to a Californian who is not a member of the lending library's primary clientele.

From April 1999 (the beginning of the LoC extension of this program through libraries of all types in this state, not just public libraries) through Dec. 31, 1999 over 125,000 loans were made. Another 200,000 plus loans are projected for the Jan.1 – June 30, 2000 time period.

Plans are currently underway to expand the direct loan program of the California Library Services Act (CLSA) (i.e. public libraries only) to libraries of all types under the LoC. Planning is almost complete at the regional level, but actual implementation of this LoC service is not scheduled to begin until July 1, 2000.

d. Regional Library Network Development

Planning regions are using funds under this element to help them establish organizational structures and bylaws and to take the necessary steps to define services needed regionally, attract potential charter member libraries, and develop documentation necessary for the LCB's consideration of their formal requests to become RLN's under the LoC Act. In addition, they have been able to accomplish the following with these funds:

1. Focus groups of potential users of RLN services to help define priority services for the region.
2. Technology inventories to define what is already available (and what is still needed) in the way of hardware, software, and telecommunications in the region to support LoC services.
3. Public and library awareness activities to ensure that regional stakeholders know of the potential services that the LoC Act can provide to assist in regional definition of the specific set of LoC services that is most needed in the area initially.
4. Analysis of the status and availability of electronic information services within a region to help determine the basis on which to build LoC resource sharing services and what additional electronic information services are needed initially.

Benefits to Californians from Initial LoC Funding

a. Telecommunications Infrastructure

While many benefits have already been seen by Californians, the major benefits of this effort will to be seen as a result of this requested, additional funding. Primarily, the infrastructure is being put into place now to allow the delivery of statewide and regionally-based services, most of which will begin with the next incremental increase in LoC local assistance funding.

There have, however, been immediate benefits to Californians from the early steps in this effort. The Z39.50 server implementations have directly benefited at least 5 million Californians who use the 46 systems augmented by this effort. These persons now have access to a much broader array of library resources. This effort has also made information on the 8,323,500 library materials organized by the 46 automated systems accessible statewide to patrons of all other automated systems which can use the Z39.50 protocol to search remote catalogs.

In addition, the support of regional-level telecommunications servers is already providing a backbone for Californians in obtaining web access to the various online data base systems the LoC funding is partially supporting (see “b.” below).

b. Statewide Data Base Licenses

As described above in **Services Provided by Initial LoC funding**, the LoC program is supporting Californians’ access to ten different online data bases and a librarian-created online web indexing system. Most of these data bases are just now being made accessible to Californians, so no statistical data on their use is yet available. However, the broad array of topics and the general statewide coverage is impressive in itself. The data bases described above were decided

upon during regional needs assessment processes and represent topical areas that Californians most requested in the various regional areas.

From a statewide program benefit perspective, the data bases represent pretty much the complete spectrum of types of commercially and publicly-available online data bases. That fact gives administrative staff an excellent experience in the mundane-but-critical processes of effectively negotiating licenses with most types of vendors and providing the services to Californians in an effective and cost efficient manner.

An example of the benefits of these data bases can be obtained from statistical and qualitative data collected about usage of the Rand California Data Base, the system which has been provided for the longest time using LoC funds – since August of 1999. As of the end of 1999, over 400 library systems, representing over 1600 library service outlets, had signed up to use this data base. Those service facilities made that data base accessible to over 30,000,000 members of the general public statewide, over 1,000,000 college students and faculty, and over 1,500,000 K-12 school students. Between Aug. and Dec. 1999 these users accessed the data base more than 350,000 times. With the steady growth in usage that is being seen, usage is expected to be about 800,000 by the end of the first full year in which LoC funding supported its usage by Californians.

As impressive as those statistics are, a couple of examples of the data base's usefulness to individual Californians are even more impressive. For a study that the CSL California Research Bureau (CRB) recently published, CRB staff needed to obtain a great variety of information regarding Latinos in California. The Rand California Data Base pulled together a great deal of information from a very wide variety of sources and allowed the researchers to both obtain a great deal of information from this single source, but also provided them with excellent referrals to additional resources. The result is a study which is being used by legislative efforts in development of state policy and programmatic responses to improving the status of this important segment of California's population.

In a second example, staff at the Sierra College library in Rocklin used the data base to assist a faculty member with his research on variations in housing costs throughout this state. He was able to obtain the needed information down to the level of the smallest cities in California. As with the CRB staff, the faculty member was able to search a large variety of information sources that the Rand California system has brought together and was then able to pick and choose the exact data elements needed for his specific research.

c. Reimbursement for ILL and Direct Loans

LoC support to extend and encourage interlibrary loans (ILL) among libraries of all types began in April 1999. From April to December 1999, 126,356 separate ILL transactions were extended with LoC support. This is in addition to the 946,292 ILL transactions for public library patrons over that same period that were supported by the existing public library-oriented CLSA program. Those additional transactions represent a vast array of materials that would otherwise not have been available to Californians, as their own primary library did not have the item needed, but the LoC program has now been able to allow that Californian to obtain the needed item from another library.

Again, an example can help make it clear how important this added access is to Californians. A college student in southern California needed a specific book about leukemia that was not in the college library's collection. The college library searched through other library catalogs and found a medical library in the San Francisco bay area that did have the book. The college library, on behalf of the student, requested an interlibrary loan for the material from the medical library. The LoC compensated the medical library for the handling costs associated with that interlibrary loan transaction.

d. Regional Library Network Development

Clearly, the major benefits to Californians from efforts in this area will result from the resource sharing services they will be able to receive through the RLN's beginning this next fiscal year, as state funding to LoC makes those services possible.

More immediate benefits have also occurred however. During the regional needs assessment process, Californians were able to voice their needs for online access to specific data base content. It was on the basis of that input that the LoC program was able to support the variety of online data bases it is now beginning to make available. Without that initial investment in needs assessment and planning, the LoC program would not have had the data necessary to truly make LoC services responsive to the disparate needs of Californians in Siskiyou County and those vastly differing ones in metropolitan Pasadena (i.e. specific to all parts of the diverse California spectrum).

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